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SUBJECT: AUSTRALIA 2008-2009 INTERNATIONAL NARCOTICS  
CONTROL STRATEGY REPORT, PART I

REF: STATE 100989

#### II. Summary

Australia is a committed partner in international efforts to combat illicit drugs. Domestically, Australian government policies are designed to address fully both the law enforcement needs and the demand reduction sides of the problem. Australian law enforcement agencies work closely with their U.S. counterparts in the U.S. and Australia, and have a robust and growing law enforcement liaison relationship in numerous overseas posts.

#### II. Status of Country

While cannabis is still the most abused drug in Australia, the 2007 annual report of the United Nations International Narcotics Control Board reported for a second year that amphetamine type substances (ATS) are the second most widely used illegal substance in Australia. The report also lists ATS abuse in Australia as among the highest in the world. Marijuana, crystal methamphetamine, cocaine, and MDMA usage is constant throughout Australia. Significant seizures of these drugs are of particular concern to Australian law enforcement officials. Australian officials have seized notable quantities of southeast and southwest Asian heroin in 2008. In November 2007, the Australian Federal Police (AFP) reported that the drug harm index, their measurement of the estimated damage seized drugs may have caused society had they not been seized, had increased to A\$621 million (US\$391 million) in 2006/2007 from A\$165 million (US\$104 million) in 2005/2006.

Law enforcement agencies throughout Australia continue to seize significant quantities of precursor chemicals from China, India, and most recently, Thailand. In addition, officials continue to seize small, toxic, and sophisticated methamphetamine and MDMA clandestine laboratories throughout Australia; although, the number of clandestine laboratories has decreased slightly in 2008.

MDMA remains popular in Australia. According to the Australian 2007 Ecstasy and Related Drugs Reporting System (EDRS) report, MDMA is easy to obtain and purity ranges from medium to fluctuating quality. Night clubs are the most common places of use and prices range from A\$30 - A\$50 (US\$19 - US\$32) per pill. Substantial MDMA shipments originating from Europe and Asia continue to be seized in Australia.

Cocaine use is stable throughout Australia, and for the most part, is more prevalent in larger metropolitan areas. While cocaine remains expensive in Australia, it also remains readily available. Cocaine seizures are constant and the majority of seizures involve the postal system and couriers transporting small amounts, many of which continue to originate in South America. In 2008, Australian authorities seized hundred kilogram cocaine shipments from Canada, and in March of 2008, a 250 kilogram shipment from China.

The availability of heroin in Australia remains steady and although many prior users of heroin are reportedly using crystal methamphetamine, recent local reporting indicates an increase of heroin use in Australia's capital cities among users who inject drugs. Health officials in Sydney and Melbourne have reported an increase in heroin overdoses and law enforcement and local news reports indicate heroin trafficking and use is on the rise. Similar to cocaine, most heroin seizures involve small amounts being transported by courier and the postal system. However, law enforcement authorities have also made some significant heroin seizures, such as the two kilograms from New Delhi and 28 kilograms from Indonesia in March 2008.

### III. Country Actions Against Drugs In 2008

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**Policy Initiatives:** The result of Australian Government initiatives to address the increase of clandestine synthetic drug laboratories is reflected in a slight decrease in the number of laboratory seizures. Changes in legislation limited the availability of pseudoephedrine, a precursor chemical for methamphetamine. All products containing pseudoephedrine are now stored behind the pharmacy counters, and products with high concentrations of pseudoephedrine also require a doctor's prescription. In response to this legislation, many organized crime groups have undertaken large scale smuggling of ephedrine and pseudoephedrine products from locations throughout Asia, primarily China, India, and Thailand. Australian law enforcement officials have been successful in seizing record amounts of pseudoephedrine in 2008.

In June 2007 the Australian Crime Commission (ACC), in partnership with Health, State and Territory Drug Squads and Industry Associations, commenced the "National Awareness Raising Campaign for Chemical and Scientific Industries". The objective of the program is to educate industry about the diversion of chemicals and equipment into the illicit drug manufacture market, new and proposed legislation and regulations on controls over chemicals and equipment, and to encourage compliance with the industry code of practice. The program has served to foster closer working relations between industry State based chemical diversion programs and the ACC.

The ACC also commenced the National Clan-Lab Database. This program is designed to provide a user friendly, nationally consistent platform for recording seizure information from clandestine drug laboratories. The program operates from laptop computers at the crime scene, and allows officers to record all site information, exhibits, drug manufacture methods, and a great deal of additional real time information as the scene is processed. After processing, the seizure information is uploaded to the national database from each jurisdiction. The centralized collection of this information allows law enforcement from all jurisdictions to access the information and develop national statistical data for investigative and management purposes.

The AFP's International Deployment Group continues to support regional Asian governments to ensure stability and combat drug and crime organizations. In addition, the AFP has deployed additional resources to Afghanistan in support of drug enforcement and intelligence operations. The AFP's international network has grown slightly in 2008 to 87 officers at 34 posts in 28 countries worldwide. The AFP's international liaison network coordinates closely with DEA offices on matters of mutual interest.

**Law Enforcement Efforts:** Responsibility for counternarcotics efforts is divided among the Federal Government, primarily the AFP, the Australian Customs Service (ACS), the Australian Crime Commission (ACC), and the Therapeutic Goods Administration (TGA), in addition to state/territorial police services. Australia also has a large and growing international deployment of AFP overseas liaison officers focusing on transnational crime, including international drug

trafficking. In 2008, Australian law enforcement officials have successfully targeted significant drug trafficking organizations impacting the country. Asian and European organized crime groups (particularly from the Netherlands, Belgium, Italy and Israel) are targeting Australia for large-scale shipments of MDMA tablets. In June 2008, subsequent to the seizure of approximately 4.4 tons of MDMA tablets the previous year in Melbourne, the AFP conducted enforcement operations and totally dismantled an international MDMA trafficking organization. The investigation revealed multiple criminal organizations with international links involved in this import, the largest MDMA shipment ever seized.

Asian organized crime groups continue to dominate the distribution and trafficking of methamphetamine and to a lesser extent, cocaine, MDMA, and heroin. Australian authorities continued to seize substantial quantities of these drugs. Local law enforcement reporting for the period of 2006-2007 indicates ATS seizures increased by approximately 25% and the number of arrests has increased by 28%. Total weight of cocaine seized by the ACS increased by approximately 600% and arrests increased by 75%. And finally, heroin border seizures are the highest recorded, Qfinally, heroin border seizures are the highest recorded, with the total weight of heroin seized at the border up 79 %.

These trends are continuing in 2008. For example, in January 2008, authorities seized approximately 28 kilograms of methamphetamine originating from Lithuania. In March 2008, authorities seized 250 kilograms of cocaine originating from China and approximately 22 kilograms of methamphetamine and 35 kilograms of MDMA in Perth. In June 2008, authorities seized 124 kilograms of cocaine, 66 kilograms of methamphetamine, and 121 kilograms of MDMA, all originating from Canada. Asian organized crime groups are primarily responsible for these imports and will continue to influence and control the majority of drug trafficking activity and related crimes in Australia.

Since domestically produced marijuana is Australia's most abused illicit drug, authorities maintain a robust marijuana eradication program, primarily on the state level. Australia produces enough marijuana to satisfy demand, and the majority of marijuana produced in Australia is distributed for local consumption. Use of hydroponic grow sites is the preferred method of the more advanced marijuana trafficking organizations. However, authorities continue to seize substantial numbers of marijuana plants from outdoor grows.

In March 2008, the New South Wales Police Force seized approximately 11,000 marijuana plants from a single plot. Most outdoor grow seizures consist of 70-100 plants spread over multiple sites in close proximity. There are limited instances of small amounts of Australian produced hydroponic marijuana being transported to Asian nations.

**Corruption:** Historically, corruption and misconduct are not issues at the federal level in Australia. Some misconduct does occur at the state level and is vigorously investigated by the appropriate authorities within Australia. All state level agencies have internal units dedicated to investigating alleged police corruption. In June 2008, an Assistant Director of Investigations with the New South Wales Crime Commission was arrested by the Australian Federal Police after an 18 month investigation. The subject was charged for his involvement in attempting to import a quantity of pseudoephedrine into Australia. The arrest was widely reported by the local media, and he is one of the most senior law enforcement officials ever arrested and charged in Australia. His case is currently pending before the courts.

**Agreements and Treaties:** The U.S. and Australia cooperate extensively in law enforcement matters, including drug prevention and prosecution, under a bilateral mutual legal assistance treaty and an extradition treaty. In addition, Australia is a party to the 1961 UN Single Convention, as amended by the 1972 Protocol, the 1971 UN Convention on Psychotropic Substances, the 1988 UN Drug Convention, the UN

Convention against Transnational Organized Crime and the UN Corruption Convention. Australia also is actively involved in many international organizations that investigate drug trafficking. Australia acts as co-chair of the Asia-Pacific Group on money laundering, is a member of the Financial Action Task Force, INTERPOL, the Heads of Narcotics Law Enforcement Association (HONLEA), the International Narcotics Control Board, the South Pacific Chiefs of Police, the International Drug Enforcement Conference (IDEC) and the Customs Cooperation Council among others.

**Cultivation/Production:** The licit cultivation and processing of opium poppies in Australia is strictly confined to the Australian state of Tasmania. Tasmania is considered one of the world's most efficient producers of poppies with the highest yield per hectare of any opiate producing country. With an annual average licit opium production of approximately 2.5 tons per hectare, Tasmania supplies around one half of the world's legal medicinal opiate market. The Australian poppy industry utilizes the Concentrated Poppy Straw process, which processes the dry poppy plant material 'poppy straw' for use in the production of codeine and thebaine. The Australian Federal Government and the Tasmanian State Government share responsibility for control of the poppy industry. During the growing and harvesting season, crops are regularly monitored by the Poppy Advisory and Control Board field officers and any illegal activity is investigated by the Tasmania Police Poppy Task Force. The export to the U.S. of Australia's narcotic raw material (NRM) is regulated by the '80/20 rule' which reserves 80 percent of the NRM market to traditional suppliers (India and Turkey) while the remaining 20 percent is shared by non-traditional suppliers (Australia, France, Hungary, Poland and currently, Former Yugoslavia). There were approximately 1000 poppy growing licenses granted for the 2006/2007 growing season in which 13,000 hectares were under poppy cultivation.

Qwhich 13,000 hectares were under poppy cultivation. Domestically produced marijuana (cannabis) continues to be Australia's most abused illicit drug. Cannabis cultivation and distribution is not dominated by any group and appears to be organized on an individual basis. Sophisticated hydroponic cultivation sites of various sizes have been seized throughout the country. Use of hydroponic grow sites continues to be the preferred method of the more advanced marijuana trafficking organizations. There is still no evidence indicating any large exportation of Australian produced marijuana, but there have been instances of small amounts of Australian-produced hydroponic marijuana being transported to Asian nations for use by expatriate communities in those countries.

**Drug Flow/Transit:** There has been no evidence regarding the use of Australia as a flow transit point for illegal narcotics.

**Domestic Programs/Demand Reduction:** The availability of treatment services for drug users remains an integral part of Australia's National Drug Strategy. There is a wide range of treatment options available throughout Australia, including detoxification, therapeutic communities, residential facilities, outpatient treatment, day programs, and self-help groups. As part of the "Tough on Drug Strategy" launched in 1997, the Australian government has committed substantial

resources to reducing the demand for illicit drugs throughout the country. This strategy, coupled with the activities of state/territorial agencies and non-governmental organizations, is aimed at reducing the demand for all types of drugs throughout the country. In 2001, the New South Wales government approved a heroin injection room in the Kings Cross area of Sydney. The Commonwealth of Australia government has opposed the operation of these injection rooms and is pursuing alternative harm reduction methods. To date, this safe injection room remains in operation.

#### IV. U.S. Policy Initiatives and Programs

**Bilateral and Multilateral Cooperation:** The United States undertakes a broad and vigorous program of counternarcotics activities in Australia, enjoying close working relationships with Australian counterparts at the policy making and working levels. There is active collaboration in investigating, disrupting, and dismantling international illicit drug trafficking organizations. The United States and Australia cooperate under the terms of a Memorandum of Understanding that outlines these objectives. U. S. and Australian law enforcement agencies also have agreements in place concerning the conduct of bilateral investigations and the exchange of intelligence information on narcotics traffickers. Both countries continue to pursue closer relations, primarily in the area of information sharing.

**The Road Ahead:** Australia continues to take a leadership position in the international fight against drug trafficking in its domestic, regional, and worldwide activities. The expanded International Deployment Group allows them to have greater participation in regional law and order activities and stabilization efforts. Strong bilateral relations between Australia and the U.S. on counternarcotics issues are confidently expected to continue.

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